

## **A Decade of Retail Store Success: IBM and Pamida**

Over the past 10 years, Pamida stores and IBM Retail Store Solutions have worked shoulder-to-shoulder to preserve Pamida's total technology investment while continuously improving efficiency and system flexibility. The evolution of the partnership follows, including an account of Pamida's most recent success - the implementation of a Windows NT integration rollout with the IBM 4690 OS and GSA.

Founded in 1963, Pamida is a mass merchandise retailer operating 159 stores in 15 states. Pamida focuses on rural communities where it can be the primary mass merchandise retailer, and more than 90% of Pamida stores operate in markets with trade populations under 29,000. Pamida's offering includes men's, women's and children's apparel, jewelry and accessories, toys, home furnishings, housewares, stationery, domestics and seasonal items. Pamida also operates 59 in-store pharmacies.

Pamida's relationship with IBM started in 1989, when Pamida stores first installed 8580 controllers, the 4680 operating systems and the General Sales Application (GSA) for 8580. The chain continued to use this solution until 1995, when the company realized it needed to improve processing power. After several experiments, Pamida decided to place an additional processor in each store so back office applications could run on a separate machine than the two 8580s. They chose IBM server class machine, model 310.

The relationship evolved further in late 1996, when Pamida began moving its back office applications from the IBM 4690 Operating System to a Windows NT environment.

"We felt that for long term growth, Windows NT offered us the greatest opportunity to purchase packaged software," said Bill True, Director of Store Systems. "We also knew we would need a network supporting our applications, and that led us to NT as well."

But Pamida wanted to retain the features and functions the stores had become accustomed to with the 4690 OS. In 1997, the company discovered a potential solution.

"We were installing IBM 310s and trying to select a back office application environment at the same time," True said. "That's when we heard the first announcements of IBM's Distributed Data Services/Controller Service Functions solutions (DDS/CSF). The fact that there was going to be a follow-on component from 4690 OS that ran on Windows NT was very encouraging."

By mid-1997, Pamida completed installation of the IBM 310s and started working on transitioning to an NT system that would run the controllers. Pamida decided to roll out an IBM NetFinity 3000 server in each store, which would run on the NT platform with DDS/CSF installed. Pamida worked with MGV/Systech and IBM on the lab environment to make the conversion. Pamida also planned to install DDS/CSF on the 310s.

"We were back to having two controllers running each store, but both were running on NT platforms and had plenty of speed, power and disk space," True said, "Plus, the DDS/CSF

solution allowed us to retain the vast majority of 4690 functions to support register communications.”

So far, the total solution Pamida installed has produced the expected results.

“The new systems are significant faster,” True said. “Openings and closings are very quick now. Temporary price updates for sale items previously ran at 4,000 items per hour. During the holidays and other promotional events, we have up to 15,000 SKUs that needed price updates. Now, we can process 36,000 updates per hour. That is quite a relief for store management.

“Plus, the ability to change prices on the fly is a big boom for marketing. Today we can do just about anything our marketing and advertising departments request in terms of sale items for a specific time.”

True expects the solution to provide these benefits moving forward, as well. “I’m very enthusiastic about the dependability of both the hardware and software,” he said. “We still have half of our stores running 8580 controllers we bought 10 years ago. We’re running the 4690 OS - or its emulated version - 10 years later with continued success.”